

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS STEPHEN B.
HAGENSTEIN TO STEVE HUTKINS INTERROGATORIES AND REQUEST FOR
PRODUCTION OF DOCUMENTS SH/USPS-T3-6 THROUGH 8**
(May 26, 2021)

The United States Postal Service hereby provides responses of Witness Stephen B. Hagenstein to the above-listed interrogatories. Each question is stated verbatim and followed by the response.

The Postal Service believes that Mr. Hutkins has exceeded the limit on interrogatories set forth in Rule 3020.117(a), pursuant to federal case law adopted by the Commission. Order No. 2080, Order Adopting Amended Rules of Procedure for Nature of Service Proceedings under 39 U.S.C. 3661 (May 20, 2014), at 44. Nevertheless, the Postal Service has chosen to respond to these interrogatories in lieu of filing a motion to be excused from doing so on numerosity grounds. The Postal Service's choice to accommodate Mr. Hutkins in this specific instance should not be construed as a waiver of the Postal Service's right to seek excusal from any further interrogatories by Mr. Hutkins on numerosity or other grounds, or from any arguably excessive interrogatories by any other party in any other instance.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

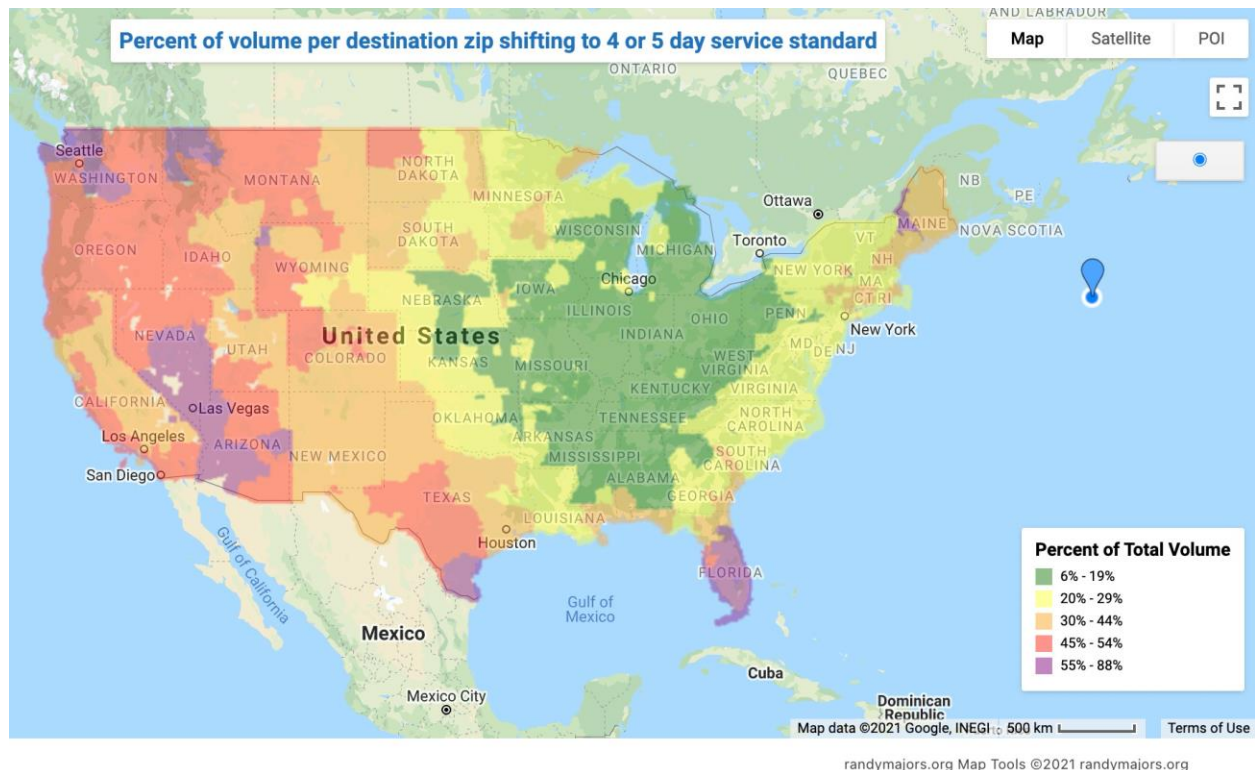
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SH/USPS-T3-6. Please consider the following map showing the percent of total volumes per destination 3-digit zip code that will be shifting to a 4- or 5-day service standard under the Postal Service's proposal.¹ Please confirm that the map appears to be a reasonably accurate representation of what will occur under the plan, e.g., recipients who live in the western part of the country (as well as portions of Florida and Maine) will see a much larger percentage of their mail volumes shifted to a 4- or 5-day service standard than those living in the eastern half. If not confirmed, please explain.



RESPONSE:

Confirmed.

¹ The data set used to create this map was derived from USPS-LR-N2021-1-3, Excel sheet entitled "3_Zip3_OD_Pairs.xlsx," by totaling the volumes for 4 and 5-day pairs for each 3-digit zip. This data can be found on Google Drive at <https://bit.ly/3v300CN>. The map was created using a mapping tool at randymajors.org. For closer inspection, an interactive version of the map can be found at <https://bit.ly/3ouLHV3>.

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SH/USPS-T3-7. Please discuss why the proposed changes will not result in unfair and undue discrimination against users of the mail who live in areas where mail volumes subject to a 4 or 5-day standard will be significantly greater (in terms of percentages) than in other areas.

RESPONSE:

As the Commission acknowledged in Docket No. C2001-3, “[g]eography, network design, and distances all play legitimate roles in determining service standards”² Indeed, transportation changes applied in an objective and neutral fashion may unavoidably yield longer delivery times for pieces traveling longer distances. Any objective operational criteria applied equally throughout the Nation can have differing impacts in different areas of the country, given the size and geographic diversity of the Nation, but it cannot be the case that the Postal Service is foreclosed from adopting such uniform criteria. The Postal Service therefore submits that such unintentional discrepancies in no way constitute undue or unreasonable discrimination.

Here, the Postal Service’s proposed changes apply the same rules of time and distance uniformly across the entire contiguous United States. As the distance between locations increases, the time to travel between such locations likewise increase, and logically, the expected delivery results change. Higher density population centers result in a greater number of origin-destination pairs that fall within the lower service standard. It is the differences in population density and processing sites, not undue discrimination—intentional or otherwise—that cause the differences in service standards.

² Commission Report Complaint on First-Class Mail Service Standards, 2001 (“Commission Report”), Docket No. C2001-3, App’x B, p. 8.

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The Postal Service has shown how, given current operational, volume, and financial realities, it is appropriate to revise the service standards using objective criteria to enable more volume to move by surface transportation; this will lead to greater service reliability, and will assist the Postal Service in its efforts to create a more precise, resilient, financially sustainable network. It is these considerations that have material relevance to the question of “undue discrimination” under 403(c), and to that, flowing from it, of the Postal Service’s ability to meet the mandate of section 101(a).

These changes would serve to uphold that mandate by better enabling the Postal Service to “provide prompt, reliable, and efficient services to patrons in all areas.”³ For, as the Postal Service has shown in its filings, the current service standards force an over-reliance on air transportation. These carriers are subject to last-minute changes based upon weather delays, network congestion, and air traffic control ground stops. The addition of one or two days to current service standards for First-Class Mail would enable the Postal Service to convey a greater volume of mail within the contiguous United States by surface transportation, thereby improving on-time reliability.

³ 39 U.S.C. § 101(a).

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SH/USPS-T3-8. Has the Postal Service commissioned any technical studies by outside consulting or market research companies on service standards since 2012 (i.e., subsequent to the market research studies done for the changes reviewed in Docket No. 2012-1 concerning Network Rationalization)? If so, please share the studies and results.

RESPONSE:

I am not aware of any commissioned studies by outside consulting or market research companies on service standards since 2012.